DEPARTMENT OF ENVIRONMENT

FISH AND WILDLIFE DEVELOPMENT FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2007

Provincial Auditor Saskatchewan

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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Fish and Wildlife Development Fund as at March 31, 2007 and the statements of operations, changes in net assets, and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 5, 2007

Fred Wendel, CMA, CA
Provincial Auditor

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	2007	2006
ASSETS		
Current assets		
Due from General Revenue Fund (Note 3)	$ 3,394,315	$ 3,204,079
Accounts receivable (Note 4)	795,127	238,506
	4,189,442	3,442,585
Capital assets (Note 6)	17,465,033	17,324,290
	$ 21,654,475	$ 20,766,875
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 536,417	$ 354,923
Net assets (Statement 3)		
Net assets invested in capital assets	17,465,033	17,324,290
Internally restricted net assets (Note 7)	2,000,000	2,000,000
Unrestricted net assets	1,653,025	1,087,662
	21,118,058	20,411,952
	$ 21,654,475	$ 20,766,875
Commitments (Note 8)		

(See accompanying notes to the financial statements)

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF OPERATIONS
For the Year Ended March 31

	2007		2006
	Budget (Note 10)	Actual	Actual
Revenues:			
Transfers from General Revenue Fund			
Sale of licenses (Note 4)	$ 3,590,000	$ 3,722,122	$ 3,604,990
Recovery of past expenses	—	—	340,000
Grants (Note 4)	—	500,000	—
Field permits and leases	125,000	133,933	133,500
Interest (Note 3)	55,000	150,913	104,433
Other revenue (Note 5)	120,000	128,872	89,277
	3,890,000	4,635,840	4,272,200
Expenses:			
Fish enhancement projects (Schedule 1)	1,500,000	1,794,017	1,478,253
Wildlife habitat projects (Schedule 1)	2,090,000	1,815,496	2,457,427
Grants-in-lieu of taxes (Note 7)	300,000	320,221	309,306
	3,890,000	3,929,734	4,244,986
Excess of revenues over expenses (Statement 3)	$ —	$ 706,106	$ 27,214

(See accompanying notes to the financial statements)

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended March 31

	2007				2006
	Invested in Capital Assets	Internally Restricted	Unrestricted	Total	Total
Balance, beginning of year	$ 17,324,290	$ 2,000,000	$ 1,087,662	$ 20,411,952	$ 20,384,738
Excess of revenues over expenses (Statement 2)	(12,417)	—	718,523	706,106	27,214
Net investment in capital assets	153,160	—	(153,160)	—	—
Balance, end of year (Statement 1)	$ 17,465,033	$ 2,000,000	$ 1,653,025	$ 21,118,058	$ 20,411,952

(See accompanying notes to the financial statements)

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2007	2006
Cash flows from (used in) operating activities:		
Receipts from General Revenue Fund	$ 3,660,540	$ 4,045,281
Receipts from sale of field permits, leases, and other	252,762	205,933
Interest received	145,070	89,083
Grant payments	(2,088,741)	(2,494,961)
Payments to municipalities	(320,221)	(309,306)
Payments to suppliers and employees	(1,326,861)	(1,622,827)
Cash flows from (used in) operating activities	322,549	(86,797)
Cash flows from (used in) investing activities:		
Proceeds from disposal of capital assets	45,647	32,779
Purchase of capital assets	(177,960)	(230,822)
Cashflows used in investing activities	(132,313)	(198,043)
Net increase (decrease) in cash	190,236	(284,840)
Due from General Revenue Fund, beginning of year	3,204,079	3,488,919
Due from General Revenue Fund, end of year	$ 3,394,315	$ 3,204,079

(See accompanying notes to the financial statements)

FISH AND WILDLIFE DEVELOPMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2007

1. Purpose of the Fund

The Fish and Wildlife Development Fund (Fund) operates under the authority of Section 20 of *The Natural Resources Act*. The Fund was established for the purposes of preventing the reduction of wildlife habitat and wildlife population in the agricultural area of the province and for fish enhancement projects intended to prevent the loss of fish or fish habitat. The Department of Environment (Department) administers the Fund.

2. Significant Accounting Policies

The financial statements are prepared using Canadian generally accepted accounting principles for not-for-profit organizations. The following accounting policies are considered significant:

a) Revenue

The Fund follows the deferral method of accounting for contributions. Any restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

The transfer from the General Revenue Fund (GRF) related to certain hunting and fishing licences is recognized when licences are issued. Transfers from the GRF for any other purpose are recognized when received or receivable.

Field permit and lease revenue is recognized when the permit is issued or the lease payment is due.

b) Grant Expenses

Grants are expensed when approved and the recipient has met eligibility criteria.

c) Capital Assets

Purchased capital assets are recorded at cost. Amortization commences in the year of acquisition and is provided on a straight-line basis over the asset's estimated useful life. Annual amortization rates for equipment are from 5% to 33%.

Donated land is recorded at fair value at the date of contribution as a direct increase in net assets.

The Fund made agreements with other conservation agencies for the joint acquisition of land for wildlife related purposes. The Fund records its cost of jointly owned land at the date title is transferred to both parties.

d) Use of estimates

These statements are prepared in conformity with Canadian generally accepted accounting principles. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

3. Due From General Revenue Fund

The Fund's money is on deposit with the GRF and in a bank account included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. The Fund's earned interest is calculated and paid by the GRF on a quarterly basis to the Fund using the Government's thirty-day borrowing rate and the Fund's average daily account balance. The Government's average thirty-day borrowing rate for 2007 is 4.15% (2006 – 2.82%).

4. Revenue - General Revenue Fund

The Fund receives an annual transfer from the GRF, as established by Order in Council 526/95, equivalent to 30% of certain hunting and fishing licence fees collected by the Department. A receivable is recorded for the portion of the licences issued before the year-end for which fees have not yet been received. Included in the accounts receivable at March 31, 2007 is $214,445 (2006 - $171,465) receivable from the GRF related to these licenses.

In March 2007, pursuant to Order in Council 159/2007, the Department approved $500,000 for the Fund for the purpose of coordinating an invasive species management program. Included in the accounts receivable at March 31, 2007 is $500,000 (2006 - $0) receivable from the GRF related to this grant program.

5. Other Revenue

Included in other revenue is $119,788 (2006 - $81,483) primarily from the sale of land, and reimbursements for land conservation and wildlife research projects.

6. Capital Assets

	2007			2006
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 14,460,470	$ ---	$ 14,460,470	$ 14,485,271
Land – joint ownership	2,960,962	---	2,960,962	2,783,002
Equipment	560,898	517,297	43,601	56,017
	$ 17,982,330	$ 517,297	$ 17,465,033	$ 17,324,290

7. Internally Restricted Net Assets - Municipal Habitat Conservation

Internally restricted net assets were established to compensate rural municipalities for taxes foregone on lands acquired by the Fund for wildlife habitat conservation purposes. The interest earned on this amount is reported in the unrestricted fund and is used to assist in paying rural municipalities grants-in-lieu of taxes on the Fund's lands located within their boundaries.

8. Commitments

The Fund is committed to carry out certain wildlife habitat and fish enhancement projects totalling $193,249 in 2008 and $6,500 in 2009.

9. Financial Instruments

The Fund's financial instruments include accounts receivable, accounts payable and due from the GRF. The fair value of these instruments approximates their carrying value due to the immediate or short-term maturity of these financial instruments.

The Fund is exposed to credit risk from the potential default of customers. However, the majority of the Fund's receivables are from other government agencies and reputable long-term corporate clients. Therefore, the credit risk is minimal.

10. Budget

The Budget for the Fund is included with the Department's budget submission to Treasury Board. Treasury Board approves the Fund's budget annually.

11. Related Party Transactions

These financial statements include transactions with related parties. The Fund is related to all Saskatchewan Crown agencies such as departments, corporations, boards, and commissions under the common control of the Government of Saskatchewan. Also, the Fund is related to non-Crown enterprises that the Government jointly owns or significantly influences.

Routine operating transactions with related parties are recorded at agreed upon rates and are settled on normal trade terms. These transactions are as follows:

	2007	2006
Expenses:		
Contractual services	$ 36,139	$ 2,871
Supplies and materials	671	798
Grants	903,500	977,920
Central Vehicle Agency rentals	73,204	69,033
Utilities	71,336	71,791
Telephone	8,570	8,420

Included in accounts payable is $124,618 (2006 - $59,643) owing to related parties.

The Fund pays provincial sales tax to Saskatchewan Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

In accordance with established government policy, the Fund has not been charged with certain costs including occupancy, financing, and certain administrative costs. These costs have been absorbed by various departmental appropriations and, therefore, no provision for such costs is reflected in these financial statements.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and notes.

12. Conservation Easements

The Fund made agreements with other conservation agencies for the purpose of securing wildlife habitat through the purchase of conservation easements. Under these agreements, the Fund contributes a portion of the costs to acquire these easements upon the registration of the easement with the relevant land titles office. The conservation agencies made separate agreements with landowners for the purchase of these easements.

The Fund is not party to the agreements with the landowners for these conservation easements. Accordingly, the Fund has not recorded these costs as capital assets. The Fund's share of these costs for the year amounting to $753,515 (2006 – $909,969) have been expensed in the Statement of Operations.

13. Comparative Figures

Certain prior year balances have been reclassified to conform with the current year's financial statement presentation.

Schedule 1

FISH AND WILDLIFE DEVELOPMENT FUND
SCHEDULE OF EXPENSES
For the Year Ended March 31

	2007				2006
	Budget (Note 10)	Fish Enhancement Projects	Wildlife Habitat Projects	Total	Total
Salaries	$ 960,000	$ 667,806	$ 355,872	$ 1,023,678	$ 939,876
Contractual services	370,000	111,762	66,745	178,507	341,650
Supplies and materials	220,000	56,489	14,126	70,615	115,031
Grants (Note 12)	1,730,000	759,592	1,339,870	2,099,462	2,301,143
Central Vehicle Agency rentals	100,000	54,398	16,079	70,477	69,034
Travel expenses	60,000	43,427	14,015	57,442	60,677
Utilities	80,000	71,336	—	71,336	71,838
Amortization	20,000	11,534	883	12,417	20,786
Telephone	30,000	8,418	2,312	10,730	9,381
Communications	20,000	9,255	—	9,255	3,029
Bad debt expense	—	—	5,594	5,594	3,235
	$ 3,590,000	$ 1,794,017	$ 1,815,496	$ 3,609,513	$ 3,935,680